

UNION PACIFIC ANNOUNCES FIRST QUARTER RESULTS

FOR IMMEDIATE RELEASE:

Omaha, NE, April 26 – Union Pacific Corporation today reported net income for the first quarter of \$181 million, or \$.72 per diluted share. This compares to net income of \$185 million, or \$.74 per diluted share, in the first quarter of 2000.

“We are pleased with our first quarter performance, given the difficult economic environment,” said Richard K. Davidson, chairman and chief executive officer.

“Looking forward, we are confident in our business strategy and competitive position, although economic conditions continue to cause near-term uncertainty,” he continued.

“As we manage through the current environment, our unparalleled franchise and diversity of commodity mix enable us to maintain a very positive long-term outlook for the company and its shareholders.”

For the first quarter, Union Pacific Corporation, excluding Overnite, reported operating income of \$430 million compared to \$451 million for the same period in 2000. The Railroad’s commodity revenue increased 1 percent to \$2.6 billion for the quarter on the strength of its diverse traffic base. Energy revenue was up 12 percent to a record \$593 million. The Agricultural Products and Intermodal business groups also had solid revenue growth in the first quarter, showing gains of 6 and 2 percent, respectively. The economically sensitive commodities of Automotive, Industrial Products and Chemicals all declined from

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2000 levels by about 5 percent. The operating ratio was up .9 percentage points to 83.8 percent from 82.9 percent in first quarter 2000. Rising fuel costs added \$35 million in operating expenses, or 1.3 percentage points on the ratio, and were partially offset by productivity improvements.

Overnite Transportation reported an improved first quarter operating income of \$9 million compared to \$1 million in the first quarter of 2000, as operating efficiencies took hold and strike-related costs decreased significantly. Revenue increased 4 percent to \$280 million from \$269 million, while Overnite's operating ratio fell 2.9 percentage points to 96.9 percent.

Union Pacific Corporation is one of America's leading transportation companies. Its principal operating company, Union Pacific Railroad, is the largest railroad in North America, covering 23 states across the western two-thirds of the United States. A strong focus on quality and a strategically advantageous route structure enable the company to serve customers in critical and fast growing markets. It is a leading carrier of low-sulfur coal used in electrical power generation and has broad coverage of the large chemical-producing areas along the Gulf Coast. With competitive long-haul routes between all major West Coast ports and eastern gateways, and as the only railroad to serve all six gateways to Mexico, Union Pacific has the premier rail franchise in North America. The Corporation also owns Overnite Transportation, a nationwide less-than-truckload carrier, and Fenix, a group of affiliated technology companies.

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Supplemental financial information is attached.

Additional information is available at our website: www.up.com. Our contact for investors is Beth Whited at 402 271-4227. Our media contact is John Bromley who can be reached at 402 271-3475.

This press release and related materials may contain statements about the Corporation's future that are not statements of historical fact. These statements are "forward-looking statements" for purposes of applicable securities laws, and are based on current information and/or management's good faith belief as to future events. Forward-looking statements include, without limitation, projections and estimates of earnings, revenues, cost-savings, expenses, or other financial items; statements of management's plans, strategies and objectives for future operation, and management's expectations as to future performance and operations and the time by which objectives will be achieved; statements concerning proposed new products and services; and statements regarding future economic or market conditions or performance.

Forward-looking statements are subject to risks and uncertainties. Actual performance or results could differ materially from that anticipated by the forward-looking statement. Important factors that could cause such differences include, but are not limited to, the Corporation's success in implementing its financial and operational initiatives; the impact of industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; and the outcome of claims and litigation.

Forward-looking statements speak only as of the date the statement was made. The Corporation assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Corporation does update any forward-looking statement, no inference should be drawn that the Corporation will make additional updates with respect to that statement or any other forward-looking statements.

UNION PACIFIC CORPORATION
STATEMENTS OF CONSOLIDATED INCOME
For the Three Months Ended March 31
(Dollars in Millions, Except Per Share Amounts)
(Unaudited)

	2001	2000	Pct Chg	
Operating Revenues	\$ 2,943	\$ 2,906	+	1
Operating Expenses	<u>2,504</u>	<u>2,454</u>	+	2
Operating Income	439	452	-	3
Other Income - Net	30	20	+	50
Interest Expense	<u>(181)</u>	<u>(182)</u>	-	1
Income Before Income Taxes	288	290	-	1
Income Tax Expense	<u>(107)</u>	<u>(105)</u>	+	2
Net Income	<u>\$ 181</u>	<u>\$ 185</u>	-	2
Basic Earnings Per Share	\$ 0.73	\$ 0.75	-	3
Diluted Earnings Per Share	\$ 0.72	\$ 0.74	-	3
Average Basic Shares Outstanding (MM)	246.9	246.4		
Average Diluted Shares Outstanding (MM)	271.0	269.3		